

Dawn Lavalley v. Union Mutual Fire Insurance Company

Held July 20, 2017 – Docket No. INS-17-2043

Decision Issued: July 21, 2017

The named insured requested a hearing to contest the cancellation of an automobile policy for nonpayment of premium. The company demonstrated that a check received for an installment payment was returned for insufficient funds, and that all statutory notice requirements for cancellation were met.

Held: For the company. Maine law under 24-A M.R.S.A. § 2914(1) allows an insurer to cancel a policy for nonpayment of premium, defined in § 2912(3) as the failure to discharge when due any premium or installment of a premium under the policy. The company demonstrated that check made for an installment payment was not honored by its financial institution. A cancellation notice was properly issued to the named insured at the last known address and the required payment to reinstate was not received before the cancellation date. Accordingly, the cancellation action is permitted.